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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 4, 2015

Kenneth Lowder
Metamining of Utah
459 South 300 East
Springfield, Utah 84663

Subject: Deficient Amended Notice of Intention to Commence Small Mining Operations, Metamining of Utah, Black Desert Mine, S/023/0088, Juab County, Utah

Dear Mr. Lowder:

The Division of Oil, Gas and Mining has reviewed the referenced amended Notice of Intention to Commence Small Mining Operations (NOI), and the following item will need to be addressed before the NOI can be determined complete:

Submit a map showing the disturbed area boundaries. According to information obtained from a 2013 Google Earth image of the area (attached), the disturbed area is slightly over three acres. The amended NOI shows a maximum of four acres being disturbed, so the reclamation cost estimate below is based on that figure.

Please provide your response as replacement pages to the original NOI, using Form MR-REV-SMO/EXP, available on the Division's web site at ogm.utah.gov.

<i>Small Mine Operation (1-5 acres) Bond Calculation Worksheet</i>			
<i>Black Desert Mine S/023/0088</i>			
<i>3-year escalation (2017)</i>			
<u>Item</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1st Acre Disturbance	1	\$8,000.00	\$8,000.00
Add'l Acres Disturbance	3	\$5,000.00	\$15,000.00
Additional Mob/demob >50 miles	1	\$1,400.00	\$1,400.00
TOTAL			\$24,400.00
<i>5-year escalation (2019)</i>			
<u>Item</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1st Acre Disturbance	1	\$8,200.00	\$8,200.00
Add'l Acres Disturbance	3	\$5,100.00	\$15,300.00
Additional Mob/demob >50 miles	1	\$1,400.00	\$1,400.00
TOTAL			\$24,900.00

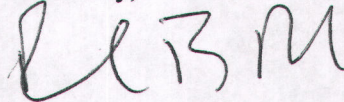


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The current reclamation surety amount is \$25,100.00 which was for five acres of disturbance. Since the acreage and the required amount of surety have decreased, you may request a reduction in the surety, or you may leave the full amount in the certificate of deposit to apply toward potential future expansion or escalation.

Please call Wayne Western at 801-538-5263 or me at 801-538-5261 if you have questions concerning this letter. In reply, please refer to file number S/023/0088. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker', written in a cursive style.

Paul B. Baker
Minerals Program Manager

PBB: whw: eb

cc: Joelle McCarthy, Fillmore BLM (jmccarth@blm.gov)

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